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Report Highlights:

Wal-Mart to increase sourcing from India, *Organized retail to grow faster than GDP, says KPMG*, *Biotech strategy soon*, *Safety first in biotech*, *GEAC's Bt crop approval challenged*, *Soymeal exports to pick up, while soybean output estimated lower*.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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WAL-MART TO INCREASE SOURCING FROM INDIA

Wal-Mart plans to increase its sourcing from India. Wal-Mart procurement operations had been handled solely by its office in Bangalore. They will start their second office in Delhi, to be followed by another in Mumbai. Wal-Mart expects to source about \$1.5 billion worth of products from India in 2005, up from \$1.2 billion in 2004. The key product categories sourced from India are textiles, apparels, jewellery, leather products, household products, furniture, and electronics. Now it plans to add foods like tea, dairy, spices, and basmati rice. Analysts see the retail giant's move as a precursor for its eventual entry into India, as and when the government allows foreign direct investment in the retail sector. (Source: Times of India, 09/27/05)

ORGANIZED RETAIL TO GROW FASTER THAN GDP, SAYS KPMG

The organized retail sector is expected to grow at a higher rate than the GDP over the next five years, driven by strong income growth, changing lifestyles and 'favorable' demographic pattern, says a KPMG report entitled 'Consumer Markets in India.' It adds that the food and beverage segment is an emerging growth area. (Source: Business Line, 09/29/05)

BIOTECH STRATEGY SOON

The Minister for Science and Technology said that India will have a national biotechnology strategy by the end of this year. He also said that legislation along the lines of the Bayh-Dole Act of the United States would be passed by Parliament during its early 2006 session in order to spur innovation in biotechnology research in academia. Speaking at a CEO summit, Mr. Sibal mentioned that the proposed national strategy would provide a roadmap for public-private collaboration in biotech research and development. (Source: Business Standard, 09/24/05)

SAFETY FIRST IN BIOTECH

The editorial of a leading financial daily demanded mandatory labeling for all biotech food in India, supporting a recent call made by the Indian Council of Medical Research (ICMR). Citing "worldwide concerns" about the biotech foods, the editorial claims that labeling would help consumers make informed choices where their consumption is concerned. (Source: Financial Express, 09/28/05)

GEAC'S BT CROP APPROVAL CHALLENGED

Dr. Suman Sahai of Gene Campaign warned in a recent press conference that she would file a Public Interest Litigation against the government's Genetic Engineering Approval Committee (GEAC) if it fails to act on her petition challenging the recent approval of 14 new varieties of Bt cotton [see GAIN report IN5051]. Dr. Sahai alleged that GEAC approved these hybrids while ignoring the available data proving the failure of Bt cotton technology. She further said a study by the government's Nagpur-based Central Cotton Research Institute

showed that Bt cotton was not effective in India and that its resistance power declined after 110 days. (Source: Financial Express, 09/29/05)

SOYMEAL EXPORTS TO PICK UP, WHILE SOYBEAN OUTPUT ESTIMATED LOWER

According to a leading Indian exporter of soymeal, the country's soymeal exports are expected to pick up after a slow start despite an estimated lower production, with countries like Japan showing an interest in Indian soymeal since India does not biotech soybeans. India is a key soymeal exporter to Asian countries such as South Korea, Vietnam, Philippines, and Japan.

The soybean processors' association estimated that, on account of erratic monsoon rains, soybean output would decline to 5.75 million tons during MY 2005 (Oct-Sept) compared with 5.85 million tons a year ago. (Source: Business Standard, 09/28/2005)

Post comment: Post has yet to see data regarding vessels loaded with soybean meal for Japan. India's strength in the Asian soymeal markets is its geographic advantage and flexibility for smaller shipments. Post's interaction with several exporters reveals that Indian soymeal does not receive any significant premium or preference over other origins meal on account of its non-biotech status.

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